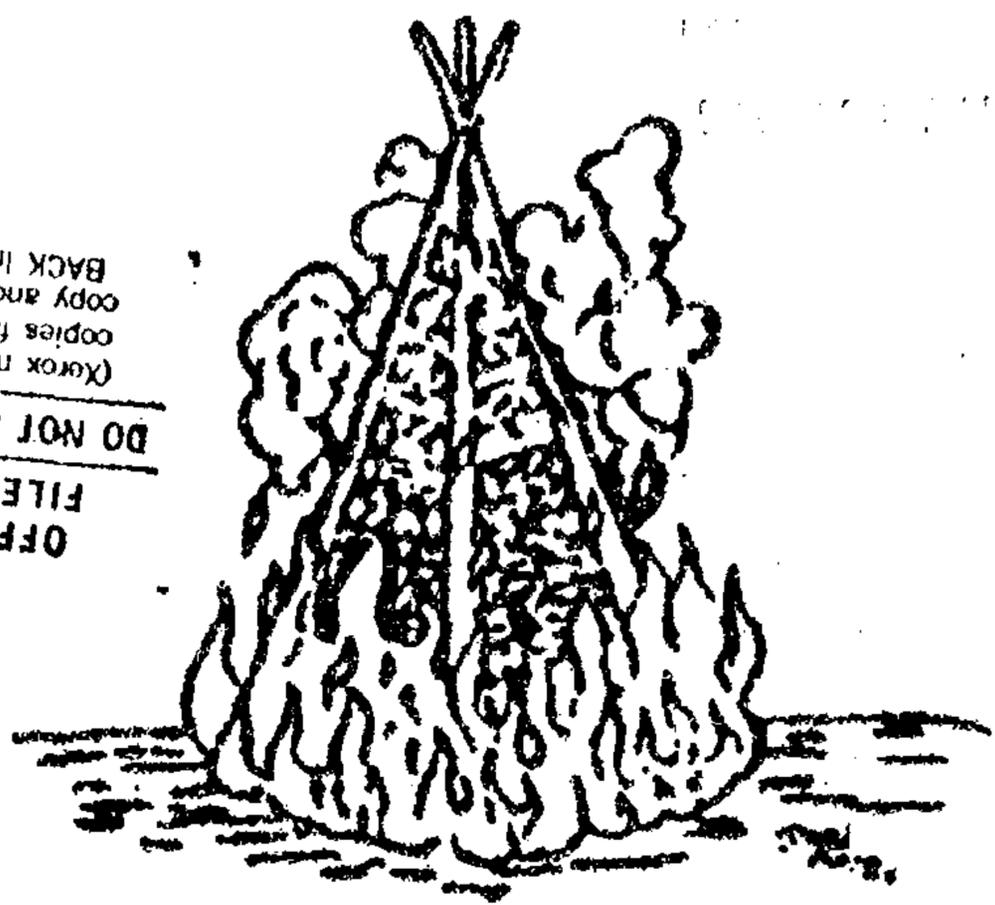


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~~LSA-RS 24:516 provides that this report shall be available for public inspection for a period of not less than one year from the date of receipt.~~

~~Legislative Auditor~~

# Town of Gramercy

## *1999 Financial Statements*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 29 1999



**TOWN OF GRAMERCY, LOUISIANA**

**FINANCIAL REPORT**

**JUNE 30, 1999**



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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Gramercy, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Gramercy as of June 30, 1999, and the results of its operations of its governmental funds for the year then ended and the results of its operations and cash flows of its proprietary funds for the two years ended June 30, 1999 and 1998, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 1999, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
October 7, 1999

- 1 -





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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND**  
**ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Gramercy, Louisiana

We have audited the general purpose financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 7, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town of Gramercy's general purpose financial statements were free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Aldermen and management of the Town of Gramercy in a separate letter dated October 7, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Gramercy's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item B-1.



A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe that the lack of segregation of duties described above is a material weakness.

This report is intended for the information of the Board of Aldermen, management of the Town of Gramercy, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record, and its distribution is not limited.

*Pastlethwaite & Nettenville*

Baton Rouge, Louisiana  
October 7, 1999



**TOWN OF GRAMERCY, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

**COMBINED BALANCE SHEET**  
**JUNE 30, 1999**

	Governmental Fund Type	
	General	Debt Service
<b>ASSETS</b>		
Cash	\$ 42,599	\$ -
Certificates of Deposit	553,000	81,054
Accounts receivable (net of allowances for uncollectible accounts of \$4,709)	-	-
Property taxes receivable	2,331	4,099
Other accounts receivable (net of allowances for uncollectible accounts of \$3,128)	40,134	-
Prepaid insurance	23,286	-
Due from other funds	553,321	301
Due from other governmental agencies	60,277	-
Restricted assets:		
Cash and investments	-	-
General fixed assets	-	-
Fixed assets (net)	-	-
Amount to be provided for long-term debt	-	-
Amount available in debt service funds	-	-
<b>Total assets</b>	<b>\$ 1,274,948</b>	<b>\$ 85,454</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 113,081	\$ -
Customer service meter deposits	-	-
Due to other funds	96,600	-
Payable from restricted assets:		
Accrued interest payable	-	-
Bonds payable - current portion	-	-
Bonds payable - non-current portion	-	-
General obligation bonds payable	-	-
Other liabilities	22,789	-
<b>Total liabilities</b>	<b>232,470</b>	<b>-</b>
<b>FUND EQUITY</b>		
Contributed capital (net)	-	-
Investment in general fixed assets	-	-
Retained earnings:		
Reserved for revenue bond debt service	-	-
Unreserved	-	-
Fund Balance:		
Unreserved - undesignated	1,042,478	29,981
Unreserved - designated for debt service	-	55,473
<b>Total fund equity</b>	<b>1,042,478</b>	<b>85,454</b>
<b>Total liabilities and fund equity</b>	<b>\$ 1,274,948</b>	<b>\$ 85,454</b>

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-term Obligations	1999	1998
Enterprise				
\$ 264,711	\$ -	\$ -	\$ 307,310	\$ 302,597
546,614	-	-	1,180,668	1,176,088
101,643	-	-	101,643	63,639
-	-	-	6,430	1,050
-	-	-	40,134	45,635
-	-	-	23,286	21,933
118,434	-	-	672,056	228,955
-	-	-	60,277	54,638
341,056	-	-	341,056	323,061
-	411,519	-	411,519	317,984
2,700,744	-	-	2,700,744	2,414,439
-	-	277,451	277,451	310,945
-	-	55,473	55,473	50,390
<u>\$ 4,073,202</u>	<u>\$ 411,519</u>	<u>\$ 332,924</u>	<u>\$ 6,178,047</u>	<u>\$ 5,311,354</u>
\$ 57,558	\$ -	\$ -	\$ 170,639	\$ 111,677
50,474	-	-	50,474	47,845
575,456	-	-	672,056	228,955
8,115	-	-	8,115	8,655
57,926	-	-	57,926	56,227
632,636	-	-	632,636	690,561
-	-	332,924	332,924	361,335
3,543	-	-	26,332	18,960
<u>1,385,708</u>	<u>-</u>	<u>332,924</u>	<u>1,951,102</u>	<u>1,524,215</u>
775,485	-	-	775,485	647,195
-	411,519	-	411,519	317,984
275,016	-	-	275,016	258,179
1,636,993	-	-	1,636,993	1,594,233
-	-	-	1,072,459	919,158
-	-	-	55,473	50,390
<u>2,687,494</u>	<u>411,519</u>	<u>-</u>	<u>4,226,945</u>	<u>3,787,139</u>
<u>\$ 4,073,202</u>	<u>\$ 411,519</u>	<u>\$ 332,924</u>	<u>\$ 6,178,047</u>	<u>\$ 5,311,354</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**ALL GOVERNMENTAL FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 1999**

	General	Debt Service	Capital Projects	Totals Memorandum Only	
				1999	1998
<b><u>REVENUES</u></b>					
Ad valorem taxes	\$ 33,472	\$ 50,168	\$ -	\$ 83,640	\$ 80,171
Sales taxes	325,474	-	-	325,474	301,035
Garbage fees	141,193	-	-	141,193	135,843
Licenses and permits	89,893	-	-	89,893	84,590
Intergovernmental revenue	60,803	-	158,178	218,981	66,009
Fines and forfeitures	68,730	-	-	68,730	45,414
Other revenue	279,449	1,731	-	281,180	138,945
Total revenues	<u>999,014</u>	<u>51,899</u>	<u>158,178</u>	<u>1,209,091</u>	<u>852,007</u>
<b><u>EXPENDITURES</u></b>					
Current operating expenditures:					
General government	252,557	-	-	252,557	192,085
Streets	199,512	-	-	199,512	235,209
Public safety	258,901	-	-	258,901	145,119
Sanitation	134,292	-	-	134,292	124,754
Fire department	1,134	-	-	1,134	1,681
Capital outlay	-	-	158,178	158,178	-
Debt service expenditures:					
Principal retirement	-	28,411	-	28,411	27,446
Interest	-	17,722	-	17,722	19,434
Total expenditures	<u>846,396</u>	<u>46,133</u>	<u>158,178</u>	<u>1,050,707</u>	<u>745,728</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	152,618	5,766	-	158,384	106,279
<b><u>FUND BALANCE</u></b>					
Beginning of year	<u>889,860</u>	<u>79,688</u>	<u>-</u>	<u>969,548</u>	<u>863,269</u>
End of year	<u>\$ 1,042,478</u>	<u>\$ 85,454</u>	<u>\$ -</u>	<u>\$ 1,127,932</u>	<u>\$ 969,548</u>

The accompanying notes are an integral part of this statement.



**TOWN OF GRAMERCY, LOUISIANA**  
**GENERAL AND DEBT SERVICE FUNDS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Ad valorem taxes	\$ 33,500	\$ 33,472	\$ (28)
Sales taxes	330,000	325,474	(4,526)
Garbage fees	135,000	141,193	6,193
Licenses and permits	78,000	89,893	11,893
Intergovernmental revenue	64,300	60,803	(3,497)
Fines and forfeitures	60,000	68,730	8,730
Other revenue	238,652	279,449	40,797
Total revenues	939,452	999,014	59,562
<b><u>EXPENDITURES</u></b>			
Current operating expenditures:			
General government	277,000	252,557	24,443
Streets	331,750	199,512	132,238
Public safety	285,650	258,901	26,749
Sanitation	144,000	134,292	9,708
Fire department	1,200	1,134	66
Debt service expenditures:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	1,039,600	846,396	193,204
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	(100,148)	152,618	252,766
<b><u>FUND BALANCE</u></b>			
Beginning of year	889,860	889,860	-
End of year	\$ 789,712	\$ 1,042,478	\$ 252,766

The accompanying notes are an integral part of this statement.



Debt Service Funds

Budget	Actual	Variance Favorable (Unfavorable)
\$ 47,000	\$ 50,168	\$ 3,168
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,725	1,731	6
<u>48,725</u>	<u>51,899</u>	<u>3,174</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
28,250	28,411	(161)
17,975	17,722	253
<u>46,225</u>	<u>46,133</u>	<u>92</u>
2,500	5,766	3,266
81,890	79,688	(2,202)
<u>\$ 84,390</u>	<u>\$ 85,454</u>	<u>\$ 1,064</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**PROPRIETARY FUNDS**

**COMPARATIVE STATEMENTS OF REVENUES,**  
**EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<b><u>OPERATING REVENUES</u></b>		
Sales	\$ 475,995	\$ 464,575
Tap fees	14,700	14,965
Miscellaneous revenues	1,345	503
Total operating revenues	<u>492,040</u>	<u>480,043</u>
<b><u>OPERATING EXPENSES</u></b>		
Salaries	188,599	133,843
Legal fees	8,435	5,107
Office expenses	3,399	3,896
Miscellaneous expenses	1,773	3,590
Insurance	12,770	17,561
Supplies and maintenance	67,914	53,573
Vehicle expenses	9,369	7,524
Uniforms	865	440
Professional fees	6,250	12,055
Retirement	8,528	6,475
Electricity	36,441	32,155
Payroll taxes	1,872	1,165
Laboratory expenses	5,750	4,440
Chemicals	15,248	13,169
Depreciation	145,650	145,358
Total operating expenses	<u>512,863</u>	<u>440,351</u>
<b><u>INCOME (LOSS) FROM OPERATIONS</u></b>	(20,823)	39,692
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Interest revenues	38,087	36,018
Grant revenues (net)	50,000	(3,425)
Interest expense	(37,555)	(40,527)
Net non-operating revenues (expenses)	<u>50,532</u>	<u>(7,934)</u>
<b><u>NET INCOME</u></b>	29,709	31,758
Depreciation transferred to contributed capital	29,888	29,596
<b><u>INCREASE IN RETAINED EARNINGS</u></b>	59,597	61,354
Retained earnings - beginning of year	<u>1,852,412</u>	<u>1,791,058</u>
Retained earnings - end of year	<u>\$ 1,912,009</u>	<u>\$ 1,852,412</u>

The accompanying notes are an integral part of these statements.



**TOWN OF GRAMERCY, LOUISIANA**  
**PROPRIETARY FUNDS**

**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	1999	1998
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Cash received from customers	\$ 454,036	\$ 469,424
Advances from other funds	295,530	9,257
Cash payments to suppliers for goods and services	(143,283)	(138,435)
Cash payments to employees for services	(188,599)	(133,843)
Net cash provided by operating activities	417,684	206,403
 <b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>		
Grant revenues (net)	208,178	8,244
Net cash provided by noncapital financing activities	208,178	8,244
 <b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Acquisition of capital assets	(431,955)	(86,669)
Principal paid on revenue bonds	(56,226)	(49,650)
Interest paid on revenue bonds	(37,555)	(40,527)
Net cash used by capital and related financing activities	(525,736)	(176,846)
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Interest earned on investments	38,087	36,018
Net cash provided by investing activities	38,087	36,018
 Net increase in cash and cash equivalents	 138,213	 73,819
Cash and cash equivalents - beginning of year	1,014,168	940,349
Cash and cash equivalents - end of year	\$ 1,152,381	\$ 1,014,168

The accompanying notes are an integral part of these statements.



**TOWN OF GRAMERCY, LOUISIANA**  
**PROPRIETARY FUNDS**

**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<b><u>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS</u></b> <b><u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>		
Income (loss) from operations	\$ (20,823)	\$ 39,692
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	145,650	145,358
Uncollectible accounts	-	3,057
Net change in assets and liabilities:		
Accounts receivable	(38,004)	(13,676)
Due from other funds	(84,853)	(27,088)
Accounts payable	33,242	17,823
Customer service meter deposits	2,629	5,363
Other liabilities	(540)	(471)
Due to other funds	380,383	36,345
Total adjustments	<u>438,507</u>	<u>166,711</u>
Net cash provided by operating activities	<u>\$ 417,684</u>	<u>\$ 206,403</u>

The accompanying notes are an integral part of these statements.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

The Town of Gramercy, Louisiana was incorporated on November 27, 1947, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

The accounting and reporting practices of the Town of Gramercy conform to generally accepted accounting principles as applicable to governmental units. The Town's reporting entity applies all relevant Government Accounting Standards (GASB) pronouncements. The Town's proprietary funds apply all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

**Financial Reporting Entity**

Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

**Fund Accounting**

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies (continued)**

**Fund Accounting (continued)**

**Governmental Funds**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds.

**Debt Service Funds** - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Capital Projects Fund** - The Capital Projects Fund is used to account for the funds received and expended for the expansion of the waterworks system.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

**Enterprise Funds** - The Enterprise Funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Fixed Assets and Long-term Obligations**

The accounting and reporting treatment applied to fixed assets and long-term liabilities is determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental funds when purchased. The Town has not capitalized public domain ("infrastructure") fixed assets which consist of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Town; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.



**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies (continued)**

**Fixed Assets and Long-term Obligations (continued)**

Long-term obligations expected to be financed from governmental fund resources are accounted for in the General Long-term Obligation Account Group.

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against their operations. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system	40	years
Waterworks system	40	years
Office equipment	5-10	years
Automotive equipment	3-5	years

All fixed assets are stated at historical cost.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property and sales taxes, interest revenue, and various intergovernmental revenues are susceptible to accrual. Fines, licenses, and permits are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on long-term debt which is recognized when due.

The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies (continued)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, and proprietary funds are adopted on bases consistent with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted, or as amended by the Board. Originally adopted revenues and expenditures for the general fund for the year ended June 30, 1999, were decreased by \$213,748 and \$182,350, respectively.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies (continued)**

**Cash and Investments**

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, are stated at cost, which approximates market.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Accounts Receivable**

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts account at the time information becomes available which indicates the uncollectibility of the particular receivable.

**Accumulated Unpaid Vacation**

Employees earn vacation leave at various rates depending upon the length of their employment. Employees must use their vacation leave in the year earned. Accordingly, no provision is made in the financial statements for unpaid vacation leave.

**Operating Transfers In and Out**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. However, since its inclusion would make the statements unduly complex and difficult to read, comparative data (i.e., presentation of prior year totals by fund type) has not been presented in all of the statements.

**Total Columns on Combined Statements**

Total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Since interfund eliminations have not been made in the aggregation of this data, such data is not comparable to a consolidation.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

Statements of Cash Flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Encumbrances

Encumbrances accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Reclassifications

Certain 1998 balances have been reclassified to conform with the 1999 financial statement presentation.

2. **Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>06/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/99</u>
Land	\$ 11,220	\$ 25,000	\$ -	\$ 36,220
Buildings	135,517	24,687	-	160,204
Improvements other than buildings	7,821	-	-	7,821
Equipment	<u>163,426</u>	<u>43,848</u>	-	<u>207,274</u>
	<u>\$ 317,984</u>	<u>\$ 93,535</u>	<u>\$ -</u>	<u>\$ 411,519</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1999 follows:

Land	\$ 76,825
Plant and equipment	<u>4,782,669</u>
	4,859,494
Less: Accumulated depreciation	<u>( 2,158,750)</u>
	<u>\$ 2,700,744</u>

In accordance with Financial Accounting Standards Board Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, the Town capitalizes interest in connection with construction-in-progress for Proprietary Fund types. No interest was capitalized during the year ended June 30, 1999.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**3. Changes in Long-Term Debt**

The following is a summary of long-term debt transactions which occurred during the year ended June 30, 1999:

	<u>Balance</u> <u>06/30/98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/99</u>
1976 Waterworks Improvement bonds	\$ 16,950	\$ -	\$ 4,035	\$ 12,915
1976 Fire Protection bonds	39,385	-	9,376	30,009
1991 Sewer Improvement bonds - general obligation portion	305,000	-	15,000	290,000
Water Revenue Refunding bonds	66,788	-	21,226	45,562
1991 Sewer Improvement bonds	680,000	-	35,000	645,000
	<u>\$ 1,108,123</u>	<u>\$ -</u>	<u>\$ 84,637</u>	<u>\$ 1,023,486</u>

Bonds payable at June 30, 1999, were comprised of the following individual issues:

General Long-Term Debt

\$68,000 of Waterworks Improvement Bonds; due in annual installments of \$4,825, including interest at 5.00%, through March 24, 2002. \$ 12,915

\$158,000 of Fire Protection Bonds; due in annual installments of \$11,210, including interest at 5.00%, through March 24, 2002. 30,009

\$400,000 of Sewer Improvements Bonds; due in various semi-annual installments, including interest at 4.95%, through April 1, 2011. 290,000  
\$ 332,924

Public Utility Revenue Fund

\$200,000 of Water Revenue Refunding Bonds; due in monthly installments of \$2,138, including interest at 7.75%, through May 5, 2001; secured by the net income derived from the operation of the waterworks system. \$ 45,562



**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**3. Changes in Long-Term Debt (continued)**

Sewer Operating Fund

\$850,000 of Sewer Improvement bonds; due in various semi-annual installments, including interest at 4.95%, through April 2, 2012; secured by the sewer operating revenues in excess of those necessary to operate and maintain the system.

\$ 645,000

The annual requirements to amortize all outstanding revenue bonds as of June 30, 1999, including interest payments of \$359,755, are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2000	\$ 142,979
2001	138,118
2002	116,872
2003	97,867
2004	99,897
Thereafter	<u>787,508</u>
	<u>\$ 1,383,241</u>

As part of the various Bond agreements the Town has agreed to comply with certain covenants. The covenants consist, primarily, of reporting and audit requirements, insurance coverage, restrictions on additional debt, maintenance of various deposit accounts, and other administrative requirements. The Town has not complied with some of these covenants; however, the applicable lending institutions have issued verbal waivers regarding these covenants.

**4. Ad Valorem Taxes**

Ad valorem taxes attach as enforceable liens on all applicable property on February 28<sup>th</sup> of each year. Taxes are levied and are billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1<sup>st</sup> of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended June 30, 1999, taxes of 5.10 mills were levied on property with assessed valuations totaling \$6,562,932 for general purposes. Additional taxes of 7.64 mills were levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due.

Ad valorem taxes levied during the year ended June 30, 1999, totaled approximately \$83,500.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. Interfund Receivables and Payables**

Interfund receivables and payables at June 30, 1999, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 553,321	\$ 96,600
Debt Service Funds	301	-
Enterprise Funds:		
Public Utility Revenue Fund	118,434	383,869
Sewer Operating Fund	-	<u>191,587</u>
	<u>\$ 672,056</u>	<u>\$ 672,056</u>

**6. Excess of Expenditures over Appropriations in Individual Funds**

The sewer operating fund's expenditures exceeded its revenues by \$20,869 during the fiscal year ended June 30, 1999.

**7. Defined Benefit Pension Plan**

Substantially all employees of the Town of Gramercy are members of either the Municipal Employees' Retirement System of Louisiana or the Municipal Police Employees' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**a. Municipal Employees' Retirement System of Louisiana (System)**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, which have separate assets and benefit provisions. All employees of the Town of Gramercy are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after the age of 60 with at least 10 years of creditable service or at or after the age of 55 with a least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**7. Defined Benefit Pension Plan (continued)**

**a. Municipal Employees' Retirement System of Louisiana (continued)**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

***Funding Policy.*** Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary to the system, and the Town of Gramercy is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 5.75 percent of annual covered payroll. Contributions to the System also include 0.25 percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Gramercy are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Gramercy's contributions to the System under Plan A during the years ending June 30, 1999, 1998, and 1997 were \$14,668, \$11,752, and \$12,383, respectively, equal to the required contributions for these years.

**b. Municipal Police Employees' Retirement System of Louisiana (System)**

***Plan Description.*** All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after the age of 50 with at least 20 years of creditable service or at or after the age of 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

***Funding Policy.*** Plan members are required by state statute to contribute 7.50 percent of their annual covered salary to the System, and the Town of Gramercy is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 9.00 percent of annual covered payroll. The contribution requirements of plan members and the Town of Gramercy are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Gramercy contributions to the System during the years ending June 30, 1999, 1998, and 1997 were \$9,852, \$7,176, and \$6,967, respectively, equal to the required contributions for these years.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Segments of Enterprise Activities**

Water and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended June 30, 1999, for these services are as follows:

	<u>Water</u>	<u>Sewerage</u>	<u>Total</u>
Operating revenues	\$ 322,444	\$ 169,596	\$ 492,040
Operating expenses	317,784	195,079	512,863
Depreciation	54,013	91,637	145,650
Income (loss) from operations	4,600	( 25,483)	( 20,883)
Net income (loss)	50,578	( 20,869)	29,709
Acquisition of capital assets	372,382	64,194	436,576
Outstanding revenue bonds	45,562	645,000	690,562

**9. Restricted Assets**

Under the terms of the bond indentures for the water revenue refunding bonds and the sewer improvement bonds, certain revenues are dedicated to the retirement of said bonds, and are to be set aside into special accounts after provisions have been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the utility systems.

The Town has been reclassifying a portion of its cash and investments as "restricted" on a monthly basis; however, the Town has not established all of the "restricted" accounts delineated in the bond indentures. All of the applicable lending institutions waived the violations of these covenants for the year ended June 30, 1999.

**10. Due from Other Governmental Agencies**

Amounts due from other governmental agencies at June 30, 1999, consisted of the following:

St. James Parish - sales taxes	\$ 57,793
P&M sales taxes	<u>2,484</u>
	<u>\$ 60,277</u>

**11. Lease Agreements**

On April 15, 1999, the Town entered into an operating lease agreement providing for the use of a particular piece of maintenance equipment. The lease extends over a three year period through May 15, 2002, and requires monthly payments of \$475.

The Town entered into an additional lease agreement providing for the use of a separate piece of maintenance equipment on July 24, 1997. This lease also extends over a three year period and requires monthly payments of \$1,128.



**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

11. **Lease Agreements (continued)**

On December 18, 1997, the Town entered into a third lease agreement providing for the use of various pieces of computer equipment. This lease extends over a three year period through January 18, 2000, and requires monthly payments of \$120.

All three of the previously mentioned lease agreements have non-appropriation exculpatory clauses that allow for the cancellation of the agreements should the Town not make appropriations for their continuance during any subsequent fiscal periods. Lease expenditures totaled approximately \$20,000 during the year ended June 30, 1999.

12. **Cash and Investments**

At June 30, 1999, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$ 225
Demand deposit accounts / savings accounts	388,140
Certificates of deposit	<u>1,440,669</u>
	<u>\$ 1,829,034</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. At June 30, 1999, the Town had \$1,832,343 in deposits (collected bank balances). Of these bank balances, \$206,601 was covered by federal depository insurance, and \$1,625,742 was secured by collateral held by the fiscal agent bank's agent in the name of the Town of Gramercy (GASB category 2).



**FINANCIAL STATEMENTS OF**  
**INDIVIDUAL FUNDS AND ACCOUNT GROUPS**



**GENERAL FUND**

To account for resources traditionally associated  
with governments which are not required to be  
accounted for in other funds.





**Postlethwaite & Netterville**  
*A Professional Accounting Corporation*

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**INDEPENDENT AUDITORS' REPORT**  
**ON SUPPLEMENTAL INFORMATION**

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Gramercy, Louisiana

Our independent auditors' report on the financial statements of the Town of Gramercy, Louisiana as of and for the year ended June 30, 1999, appears on page 1. Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules contained on pages 25 thru 62, which are also the responsibility of the Town's management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the statistics of the public utility systems operations. This information was provided to us by the Town, and we express no opinion on it.

The year 2000 supplementary information on page 63 is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Gramercy, Louisiana is or will become year 2000 compliant, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that the parties with which the Town does business are or will become year 2000 compliant.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
October 7, 1999



**TOWN OF GRAMERCY, LOUISIANA**  
**GENERAL FUND**

**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 1999 AND 1998**

**ASSETS**

	<u>1999</u>	<u>1998</u>
Cash	\$ 42,599	\$ 136,130
Certificates of Deposit	553,000	573,000
Property taxes receivable	2,331	111
Other accounts receivable (net of allowances for uncollectible accounts of \$3,128 in 1999 and \$3,128 in 1998)	40,134	45,635
Due from other funds	553,321	195,073
Due from other governmental agencies	60,277	54,638
Prepaid insurance	23,286	21,933
<b>Total assets</b>	<b><u>\$ 1,274,948</u></b>	<b><u>\$ 1,026,520</u></b>

**LIABILITIES AND FUND BALANCE**

Liabilities:		
Accounts payable	\$ 113,081	\$ 87,361
Other current liabilities	2,541	2,540
Due to other funds	96,600	33,882
Payroll taxes payable	5,906	3,632
Due to employees' retirement systems	14,342	9,245
Total liabilities	<u>232,470</u>	<u>136,660</u>
Fund balance	<u>1,042,478</u>	<u>889,860</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 1,274,948</u></b>	<b><u>\$ 1,026,520</u></b>



**TOWN OF GRAMERCY, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1998**

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 33,500	\$ 33,472	\$ (28)	\$ 31,070
Sales taxes	330,000	325,474	(4,526)	301,035
Garbage fees	135,000	141,193	6,193	135,843
Licenses and permits	78,000	89,893	11,893	84,590
Intergovernmental revenues:				
Tobacco	12,500	12,418	(82)	12,418
Beer	6,800	8,946	2,146	8,827
Video poker	45,000	39,439	(5,561)	44,764
Fines and forfeitures	60,000	68,730	8,730	45,414
Other	238,652	279,449	40,797	137,118
Total revenues	<u>939,452</u>	<u>999,014</u>	<u>59,562</u>	<u>801,079</u>
<b>EXPENDITURES</b>				
Current operating expenditures:				
General government	277,000	252,557	24,443	192,085
Streets	331,750	199,512	132,238	235,209
Public safety	285,650	258,901	26,749	145,119
Sanitation	144,000	134,292	9,708	124,754
Fire department	1,200	1,134	66	1,681
Total expenditures	<u>1,039,600</u>	<u>846,396</u>	<u>193,204</u>	<u>698,848</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(100,148)	152,618	252,766	102,231
<b>FUND BALANCE</b>				
Beginning of year	<u>889,860</u>	<u>889,860</u>	-	<u>787,629</u>
End of year	<u>\$ 789,712</u>	<u>\$ 1,042,478</u>	<u>\$ 252,766</u>	<u>\$ 889,860</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF OTHER REVENUE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1998**

	<u>1999</u>		Variance Favorable (Unfavorable)	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b><u>OTHER REVENUE</u></b>				
Utility franchise fees	\$ 38,000	\$ 40,560	\$ 2,560	\$ 38,095
P&M sales taxes	-	19,150	19,150	21,048
Interest revenues	21,000	25,332	4,332	25,070
Collection fees	3,000	3,078	78	2,929
Cops fast grant revenues	49,900	52,893	2,993	18,889
Miscellaneous	126,752	138,436	11,684	31,087
Total other revenue	<u>\$ 238,652</u>	<u>\$ 279,449</u>	<u>\$ 40,797</u>	<u>\$ 137,118</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1998**

	<u>1999</u>		<u>Variance</u>	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	<u>Actual</u>
			<u>(Unfavorable)</u>	
<b><u>GENERAL GOVERNMENT</u></b>				
Legal and litigation fees	\$ 7,100	\$ 5,984	\$ 1,116	\$ 5,100
Salaries	68,000	64,119	3,881	56,846
Professional fees	6,500	6,250	250	6,250
Electricity	8,700	8,719	(19)	8,332
Insurance	47,800	46,862	938	42,917
Supplies and maintenance	36,700	10,672	26,028	7,158
Miscellaneous	26,200	10,387	15,813	17,827
Retirement	3,300	3,301	(1)	3,044
Office expenses	25,000	27,054	(2,054)	20,476
Payroll taxes	1,100	1,071	29	753
Vehicle expenses	3,700	3,711	(11)	3,311
Capital outlay	30,000	53,129	(23,129)	9,508
Uncollectible accounts	500	-	500	-
Dues and subscriptions	7,000	6,550	450	5,815
Meetings and conventions	3,000	2,348	652	2,348
Planning commission	2,400	2,400	-	2,400
Total general government	<u>277,000</u>	<u>252,557</u>	<u>24,443</u>	<u>192,085</u>
<b><u>STREETS</u></b>				
Salaries	73,200	83,395	(10,195)	68,507
Miscellaneous	45,500	6,115	39,385	2,473
Retirement	4,200	2,839	1,361	2,233
Vehicle expenses	19,000	20,821	(1,821)	2,963
Uniforms	650	449	201	148
Insurance	10,000	9,319	681	14,664
Supplies and maintenance	18,000	31,331	(13,331)	59,291
Electricity	42,000	42,034	(34)	40,890
Interest expense	1,000	1,177	(177)	1,891
Capital outlay	115,000	-	115,000	40,250
Payroll taxes	3,200	2,032	1,168	1,899
Total streets	<u>331,750</u>	<u>199,512</u>	<u>132,238</u>	<u>235,209</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1998**

	<u>1999</u>		<u>Variance</u>	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	
			<u>(Unfavorable)</u>	<u>Actual</u>
<b><u>PUBLIC SAFETY</u></b>				
Police:				
Cops fast grant expenses	\$ 62,550	\$ 62,822	\$ (272)	\$ 25,526
Insurance	17,000	12,548	4,452	11,107
Uniforms	2,500	1,734	766	1,086
Retirement	8,000	5,858	2,142	5,689
Vehicle expenses	29,000	8,257	20,743	20,983
Salaries	83,000	84,934	(1,934)	59,050
Supplies and maintenance	16,000	24,984	(8,984)	6,132
Training expenses	5,500	4,604	896	928
Payroll taxes	2,000	2,479	(479)	962
Legal and litigation fees	3,000	-	3,000	-
Capital outlay	40,000	38,309	1,691	6,648
Miscellaneous	12,500	7,749	4,751	4,767
Total police	<u>281,050</u>	<u>254,278</u>	<u>26,772</u>	<u>142,878</u>
Emergency Preparedness:				
Salaries	300	300	-	1,425
Operating expenses	2,200	2,226	(26)	816
Capital outlay	2,100	2,097	3	-
Total emergency preparedness	<u>4,600</u>	<u>4,623</u>	<u>(23)</u>	<u>2,241</u>
Total public safety	<u>285,650</u>	<u>258,901</u>	<u>26,749</u>	<u>145,119</u>
<b><u>SANITATION</u></b>				
Solid waste disposal	144,000	134,292	9,708	124,754
Total sanitation	<u>144,000</u>	<u>134,292</u>	<u>9,708</u>	<u>124,754</u>
<b><u>FIRE DEPARTMENT</u></b>				
Insurance	1,200	1,134	66	1,681
Total fire department	<u>1,200</u>	<u>1,134</u>	<u>66</u>	<u>1,681</u>
Total all departments	<u>\$ 1,039,600</u>	<u>\$ 846,396</u>	<u>\$ 193,204</u>	<u>\$ 698,848</u>



**DEBT SERVICE FUNDS**

To account for accumulation of funds and payments  
of principal and interest on specified bond issues.



**TOWN OF GRAMERCY, LOUISIANA**  
**DEBT SERVICE FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1998**

	<u>1969</u> <u>Street</u> <u>Improvement</u>	<u>1969</u> <u>Waterworks</u> <u>Improvement</u>	<u>1976</u> <u>Waterworks</u> <u>Improvement</u>
<b><u>ASSETS</u></b>			
Certificates of Deposit	\$ 4,673	\$ 25,308	\$ 6,426
Property taxes receivable	-	-	430
Due from other funds	-	-	21
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b><u>\$ 4,673</u></b>	<b><u>\$ 25,308</u></b>	<b><u>\$ 6,877</u></b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:			
Unreserved - designated for debt service	-	-	6,877
Unreserved - undesignated	4,673	25,308	-
	<hr/>	<hr/>	<hr/>
Total fund balance	4,673	25,308	6,877
	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balance</b>	<b><u>\$ 4,673</u></b>	<b><u>\$ 25,308</u></b>	<b><u>\$ 6,877</u></b>



1976 Fire Protection	1991 Sewer Improvement	Total	
		1999	1998
\$ 15,513	\$ 29,134	\$ 81,054	\$ 78,448
999	2,670	4,099	939
49	231	301	301
<u>\$ 16,561</u>	<u>\$ 32,035</u>	<u>\$ 85,454</u>	<u>\$ 79,688</u>
\$ -	\$ -	\$ -	\$ -
16,561	32,035	55,473	50,390
-	-	29,981	29,298
<u>16,561</u>	<u>32,035</u>	<u>85,454</u>	<u>79,688</u>
<u>\$ 16,561</u>	<u>\$ 32,035</u>	<u>\$ 85,454</u>	<u>\$ 79,688</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	1969 Street <u>Improvement</u>	1969 Waterworks <u>Improvement</u>	1976 Waterworks <u>Improvement</u>
<b><u>REVENUES</u></b>			
Taxes and penalties	\$ -	\$ -	\$ 5,253
Interest revenues	112	571	175
Total revenues	<u>112</u>	<u>571</u>	<u>5,428</u>
<b><u>EXPENDITURES</u></b>			
Principal retirement	-	-	4,035
Interest	-	-	790
Total expenditures	<u>-</u>	<u>-</u>	<u>4,825</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	112	571	603
<b><u>FUND BALANCE</u></b>			
Beginning of year	<u>4,561</u>	<u>24,737</u>	<u>6,274</u>
End of year	<u>\$ 4,673</u>	<u>\$ 25,308</u>	<u>\$ 6,877</u>



1976 Fire Protection	1991 Sewer Improvement	Total	
		1999	1998
\$ 12,214	\$ 32,701	\$ 50,168	\$ 49,101
292	581	1,731	1,827
<u>12,506</u>	<u>33,282</u>	<u>51,899</u>	<u>50,928</u>
9,376	15,000	28,411	27,446
1,834	15,098	17,722	19,434
<u>11,210</u>	<u>30,098</u>	<u>46,133</u>	<u>46,880</u>
1,296	3,184	5,766	4,048
<u>15,265</u>	<u>28,851</u>	<u>79,688</u>	<u>75,640</u>
<u>\$ 16,561</u>	<u>\$ 32,035</u>	<u>\$ 85,454</u>	<u>\$ 79,688</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

	1969 Street Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Taxes and penalties	\$ -	\$ -	\$ -
Interest revenues	100	112	12
Total revenues	100	112	12
<b><u>EXPENDITURES</u></b>			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>			
	100	112	12
<b><u>FUND BALANCE</u></b>			
Beginning of year	4,548	4,561	13
End of year	\$ 4,648	\$ 4,673	\$ 25



1969 Waterworks Improvement

Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
600	571	(29)
600	571	(29)
-	-	-
-	-	-
-	-	-
600	571	(29)
24,722	24,737	15
\$ 25,322	\$ 25,308	\$ (14)



**TOWN OF GRAMERCY, LOUISIANA**  
**DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

	1976 Waterworks Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Taxes and penalties	\$ 5,000	\$ 5,253	\$ 253
Interest revenues	150	175	25
Total revenues	5,150	5,428	278
<b><u>EXPENDITURES</u></b>			
Principal retirement	4,000	4,035	(35)
Interest	875	790	85
Total expenditures	4,875	4,825	50
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>			
	275	603	328
<b><u>FUND BALANCE</u></b>			
Beginning of year	5,909	6,274	365
End of year	\$ 6,184	\$ 6,877	\$ 693



1976 Fire Protection

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 12,000	\$ 12,214	\$ 214
275	292	17
<u>12,275</u>	<u>12,506</u>	<u>231</u>
9,250	9,376	(126)
2,000	1,834	166
<u>11,250</u>	<u>11,210</u>	<u>40</u>
1,025	1,296	271
<u>15,417</u>	<u>15,265</u>	<u>(152)</u>
<u>\$ 16,442</u>	<u>\$ 16,561</u>	<u>\$ 119</u>

**TOWN OF GRAMERCY, LOUISIANA**  
**DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**

	1991 Sewer Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Taxes and penalties	\$ 30,000	\$ 32,701	\$ 2,701
Interest revenues	600	581	(19)
Total revenues	30,600	33,282	2,682
 <b><u>EXPENDITURES</u></b>			
Principal retirement	15,000	15,000	-
Interest	15,100	15,098	2
Total expenditures	30,100	30,098	2
 <b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>			
	500	3,184	2,684
 <b><u>FUND BALANCE</u></b>			
Beginning of year	31,294	28,851	(2,443)
End of year	\$ 31,794	\$ 32,035	\$ 241



Total		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 47,000	\$ 50,168	\$ 3,168
1,725	1,731	6
<u>48,725</u>	<u>51,899</u>	<u>3,174</u>
28,250	28,411	(161)
17,975	17,722	253
<u>46,225</u>	<u>46,133</u>	<u>92</u>
2,500	5,766	3,266
<u>81,890</u>	<u>79,688</u>	<u>(2,202)</u>
<u>\$ 84,390</u>	<u>\$ 85,454</u>	<u>\$ 1,064</u>

**CAPITAL PROJECTS FUND**

To account for the funds received and expended  
for the expansion of the waterworks system



**TOWN OF GRAMERCY, LOUISIANA**  
**CAPITAL PROJECTS FUND**

**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 1999 AND 1998**

**ASSETS**

	<u>1999</u>	<u>1998</u>
Cash	\$ -	\$ -
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>

**FUND BALANCE**

Fund balance - undesignated	\$ -	\$ -
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWN OF GRAMERCY, LOUISIANA**  
**CAPITAL PROJECTS FUND**

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	<u>1999</u>		Variance Favorable (Unfavorable)	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b><u>REVENUES</u></b>				
Intergovernmental grants	\$ -	\$ 158,178	\$ 158,178	\$ 11,669
Total revenues	-	158,178	158,178	11,669
<b><u>EXPENDITURES</u></b>				
Capital outlay	-	158,178	(158,178)	11,669
Total expenditures	-	158,178	(158,178)	11,669
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	-	-	-	-
<b><u>FUND BALANCE</u></b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

## **ENTERPRISE FUNDS**

**Public Utility Revenue Fund** - To account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

**Sewer Operating Fund** - To account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1998**

**ASSETS**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1999	1998
<b><u>CURRENT ASSETS</u></b>				
Cash	\$ 111,910	\$ 152,801	\$ 264,711	\$ 166,467
Certificates of Deposit	446,682	99,932	546,614	524,640
Accounts receivable (net of allowances for doubtful accounts of \$4,709 and \$4,709 in 1999 and and 1998, respectively)	87,275	14,368	101,643	63,639
Due from other funds	118,434	-	118,434	33,581
Total current assets	<u>764,301</u>	<u>267,101</u>	<u>1,031,402</u>	<u>788,327</u>
<b><u>RESTRICTED ASSETS</u></b>				
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the utility system	107,584	233,472	341,056	323,061
Total restricted assets	<u>107,584</u>	<u>233,472</u>	<u>341,056</u>	<u>323,061</u>
<b><u>PROPERTY, PLANT, AND EQUIPMENT</u></b>				
Land	76,825	-	76,825	76,825
Plant and equipment	2,277,208	2,505,461	4,782,669	4,350,714
	<u>2,354,033</u>	<u>2,505,461</u>	<u>4,859,494</u>	<u>4,427,539</u>
Less: Allowance for depreciation	(1,146,687)	(1,012,063)	(2,158,750)	(2,013,100)
Net property, plant, and equipment	<u>1,207,346</u>	<u>1,493,398</u>	<u>2,700,744</u>	<u>2,414,439</u>
 <b>Total assets</b>	 <u><u>\$ 2,079,231</u></u>	 <u><u>\$ 1,993,971</u></u>	 <u><u>\$ 4,073,202</u></u>	 <u><u>\$ 3,525,827</u></u>



**LIABILITIES AND CAPITAL**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1999	1998
<b><u>CURRENT LIABILITIES</u></b>				
Accounts payable	\$ 57,558	\$ -	\$ 57,558	\$ 24,316
Customer service meter deposits	50,474	-	50,474	47,845
Payable from restricted assets:				
Revenue bonds payable -				
due within one year	22,926	35,000	57,926	56,227
Accrued interest payable	242	7,873	8,115	8,655
Due to other funds	383,869	191,587	575,456	195,073
Other liabilities	-	3,543	3,543	3,543
Total current liabilities	<u>515,069</u>	<u>238,003</u>	<u>753,072</u>	<u>335,659</u>
<b><u>LONG-TERM LIABILITIES</u></b>				
Revenue bonds payable -				
due after one year	22,636	610,000	632,636	690,561
Total long-term liabilities	<u>22,636</u>	<u>610,000</u>	<u>632,636</u>	<u>690,561</u>
Total liabilities	<u>537,705</u>	<u>848,003</u>	<u>1,385,708</u>	<u>1,026,220</u>
<b><u>CAPITAL CONTRIBUTIONS</u></b>				
From federal grant for utility systems	1,014,255	303,523	1,317,778	1,159,600
Less: Depreciation applicable to				
capital contributions	(466,413)	(75,880)	(542,293)	(512,405)
Net contributions	<u>547,842</u>	<u>227,643</u>	<u>775,485</u>	<u>647,195</u>
<b><u>RETAINED EARNINGS</u></b>				
Reserved for revenue bond debt service	84,417	190,599	275,016	258,179
Unreserved	909,267	727,726	1,636,993	1,594,233
Total retained earnings	<u>993,684</u>	<u>918,325</u>	<u>1,912,009</u>	<u>1,852,412</u>
Total capital	<u>1,541,526</u>	<u>1,145,968</u>	<u>2,687,494</u>	<u>2,499,607</u>
<b>Total liabilities and capital</b>	<u>\$ 2,079,231</u>	<u>\$ 1,993,971</u>	<u>\$ 4,073,202</u>	<u>\$ 3,525,827</u>

**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES AND EXPENSES**  
**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1999	1998
<b>OPERATING REVENUES</b>				
Sales	\$ 314,099	\$ 161,896	\$ 475,995	\$ 464,575
Tap fees	7,000	7,700	14,700	14,965
Miscellaneous revenues	1,345	-	1,345	503
Total operating revenues	<u>322,444</u>	<u>169,596</u>	<u>492,040</u>	<u>480,043</u>
<b>OPERATING EXPENSES</b>				
Salaries	150,896	37,703	188,599	133,843
Legal fees	-	8,435	8,435	5,107
Office expenses	1,486	1,913	3,399	3,896
Miscellaneous expenses	804	969	1,773	3,590
Insurance	9,108	3,662	12,770	17,561
Supplies and maintenance	47,348	20,566	67,914	53,573
Vehicle expenses	8,642	727	9,369	7,524
Uniforms	865	-	865	440
Professional fees	3,125	3,125	6,250	12,055
Retirement	6,556	1,972	8,528	6,475
Electricity	17,491	18,950	36,441	32,155
Payroll taxes	1,522	350	1,872	1,165
Laboratory expenses	2,550	3,200	5,750	4,440
Chemicals	13,378	1,870	15,248	13,169
Depreciation	54,013	91,637	145,650	145,358
Total operating expenses	<u>317,784</u>	<u>195,079</u>	<u>512,863</u>	<u>440,351</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	4,660	(25,483)	(20,823)	39,692
<b>OTHER REVENUES</b>				
Interest revenues	25,240	12,847	38,087	36,018
Grant revenues	25,000	25,000	50,000	11,669
	<u>50,240</u>	<u>37,847</u>	<u>88,087</u>	<u>47,687</u>
<b>OTHER CHARGES</b>				
Interest expense	4,322	33,233	37,555	40,527
Grant expenses	-	-	-	3,425
	<u>4,322</u>	<u>33,233</u>	<u>37,555</u>	<u>43,952</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 50,578</u>	<u>\$ (20,869)</u>	<u>\$ 29,709</u>	<u>\$ 43,427</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CHANGES IN RETAINED EARNINGS**  
**YEAR ENDED JUNE 30, 1999**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1999	1998
Retained earnings - beginning of year	\$ 920,806	\$ 931,606	\$ 1,852,412	\$ 217,544
Net income (loss)	50,578	(20,869)	29,709	43,427
Depreciation transferred to contributed capital	22,300	7,588	29,888	29,596
Retained earnings - end of year	<u>\$ 993,684</u>	<u>\$ 918,325</u>	<u>\$ 1,912,009</u>	<u>\$ 290,567</u>

**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1999	1998
<b><u>CASH FLOWS FROM</u></b>				
<b><u>OPERATING ACTIVITIES:</u></b>				
Cash received from customers	\$ 284,416	\$ 169,620	\$ 454,036	\$ 469,424
Advances from other funds	207,590	87,940	295,530	9,257
Cash payments to suppliers for goods and services	(74,709)	(68,574)	(143,283)	(138,435)
Cash payments to employees for services	(150,896)	(37,703)	(188,599)	(133,843)
Net cash provided by operating activities	266,401	151,283	417,684	206,403
<b><u>CASH FLOWS FROM NONCAPITAL</u></b>				
<b><u>FINANCING ACTIVITIES:</u></b>				
Grant revenues (net)	183,178	25,000	208,178	8,244
Net cash provided by noncapital financing activities	183,178	25,000.00	208,178	8,244
<b><u>CASH FLOWS FROM CAPITAL AND</u></b>				
<b><u>RELATED FINANCING ACTIVITIES:</u></b>				
Principal paid on revenue bond maturities	(21,226)	(35,000)	(56,226)	(49,650)
Acquisition of capital assets	(367,761)	(64,194)	(431,955)	(86,669)
Interest paid on revenue bonds	(4,322)	(33,233)	(37,555)	(40,527)
Net cash used by capital and related financing activities	(393,309)	(132,427)	(525,736)	(176,846)
<b><u>CASH FLOWS FROM INVESTING</u></b>				
<b><u>ACTIVITIES:</u></b>				
Interest earned on investments	25,240	12,847	38,087	36,018
Net cash provided by investing activities	25,240	12,847	38,087	36,018
Net increase in cash and cash equivalents	81,510	56,703	138,213	73,819
Cash and cash equivalents - beginning of year	584,666	429,502	1,014,168	940,349
Cash and cash equivalents - end of year	\$ 666,176	\$ 486,205	\$ 1,152,381	\$ 1,014,168



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 1999**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1999	1998
<b><u>RECONCILIATION OF INCOME</u></b>				
<b><u>(LOSS) FROM OPERATIONS</u></b>				
<b><u>TO NET CASH PROVIDED BY</u></b>				
<b><u>OPERATING ACTIVITIES</u></b>				
Income (loss) from operations	\$ 4,660	\$ (25,483)	\$ (20,823)	\$ 39,692
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:				
Depreciation	54,013	91,637	145,650	145,358
Uncollectible accounts	-	-	-	3,057
Net change in assets and liabilities:				
Accounts receivable	(38,028)	24	(38,004)	(13,676)
Due from other funds	(88,811)	3,958	(84,853)	(27,088)
Due to other funds	296,401	83,982	380,383	36,345
Accounts payable	35,650	(2,408)	33,242	17,823
Accrued payables	(113)	(427)	(540)	(471)
Customer service meter deposits	2,629	-	2,629	5,363
Total adjustments	<u>261,741</u>	<u>176,766</u>	<u>438,507</u>	<u>166,711</u>
Net cash provided by operating activities	<u>\$ 266,401</u>	<u>\$ 151,283</u>	<u>\$ 417,684</u>	<u>\$ 206,403</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**

**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 1999 AND 1998**

**ASSETS**

	<u>1999</u>	<u>1998</u>
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 111,910	\$ 54,148
Certificates of Deposit	446,682	424,976
Accounts receivable (net of allowances for uncollectible accounts of \$3,454 and \$3,454 in 1999 and 1998, respectively)	87,275	49,247
Due from other funds	118,434	29,623
Total current assets	<u>764,301</u>	<u>557,994</u>
<b><u>RESTRICTED ASSETS</u></b>		
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the utility system	107,584	105,542
Total restricted assets	<u>107,584</u>	<u>105,542</u>
<b><u>PROPERTY, PLANT, AND EQUIPMENT</u></b>		
Land	76,825	76,825
Plant and equipment	2,277,208	1,909,447
	<u>2,354,033</u>	<u>1,986,272</u>
Less: allowance for depreciation	(1,146,687)	(1,092,674)
Net property, plant, and equipment	<u>1,207,346</u>	<u>893,598</u>
<b>Total assets</b>	<b><u>\$ 2,079,231</u></b>	<b><u>\$ 1,557,134</u></b>



## LIABILITIES AND CAPITAL

	<u>1999</u>	<u>1998</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 57,558	\$ 21,908
Customer service meter deposits	50,474	47,845
Payable from restricted assets:		
Revenue bonds payable - due within one year	22,926	21,227
Accrued interest payable	242	355
Due to other funds	383,869	87,468
Total current liabilities	<u>515,069</u>	<u>178,803</u>
<b><u>LONG-TERM LIABILITIES</u></b>		
Revenue bonds payable - due after one year	22,636	45,561
Total long-term liabilities	<u>22,636</u>	<u>45,561</u>
<b>Total liabilities</b>	<u>537,705</u>	<u>224,364</u>
<b><u>CAPITAL CONTRIBUTIONS</u></b>		
From federal grant for utility systems	1,014,255	856,077
Less: Depreciation applicable to capital contributions	(466,413)	(444,113)
Net contributions	<u>547,842</u>	<u>411,964</u>
<b><u>RETAINED EARNINGS</u></b>		
Reserved for revenue bond debt service	84,417	83,960
Unreserved	909,267	836,846
Total retained earnings	<u>993,684</u>	<u>920,806</u>
<b>Total capital</b>	<u>1,541,526</u>	<u>1,332,770</u>
<b>Total liabilities and capital</b>	<u>\$ 2,079,231</u>	<u>\$ 1,557,134</u>

**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
<b>OPERATING REVENUES</b>				
Sales	\$ 325,000	\$ 314,099	\$ (10,901)	\$ 308,362
Tap fees	6,000	7,000	1,000	7,000
Miscellaneous revenues	1,000	1,345	345	503
Total operating revenues	332,000	322,444	(9,556)	315,865
<b>OPERATING EXPENSES</b>				
General and administrative:				
Salaries	21,500	21,218	282	17,933
Office expenses	2,500	1,486	1,014	2,363
Miscellaneous	850	777	73	126
Insurance	10,000	8,006	1,994	11,948
Professional fees	26,700	3,125	23,575	8,930
Uncollectible accounts	500	-	500	3,057
Retirement	1,200	1,135	65	1,031
Electricity	400	235	165	328
Payroll taxes	250	223	27	197
Depreciation	500	-	500	-
	64,400	36,205	28,195	45,913
Water treatment:				
Salaries	92,000	91,622	378	62,763
Miscellaneous	100	6	94	122
Insurance	1,000	922	78	1,237
Supplies and maintenance	11,000	10,608	392	12,099
Retirement	3,500	3,540	(40)	2,812
Uniforms	700	395	305	293
Payroll taxes	950	882	68	423
Laboratory expenses	2,400	2,550	(150)	2,100
Chemicals	12,600	13,378	(778)	10,364
Depreciation	40,000	46,297	(6,297)	46,005
Electricity	17,000	17,256	(256)	14,844
	181,250	187,456	(6,206)	153,062

**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
<b><u>OPERATING EXPENSES</u></b>				
Distribution:				
Salaries	\$ 36,000	\$ 38,056	\$ (2,056)	\$ 24,830
Miscellaneous	100	21	79	130
Insurance	180	180	-	180
Supplies and maintenance	24,000	36,740	(12,740)	24,439
Vehicle expenses	4,000	8,642	(4,642)	7,113
Uniforms	650	470	180	147
Retirement	1,800	1,881	(81)	1,127
Payroll taxes	400	417	(17)	280
Depreciation	8,000	7,716	284	7,716
	<u>75,130</u>	<u>94,123</u>	<u>(18,993)</u>	<u>65,962</u>
Total operating expenses	<u>320,780</u>	<u>317,784</u>	<u>2,996</u>	<u>264,937</u>
<b><u>INCOME FROM OPERATIONS</u></b>	<u>11,220</u>	<u>4,660</u>	<u>(6,560)</u>	<u>50,928</u>
<b><u>OTHER REVENUES</u></b>				
Interest revenues	22,000	25,240	3,240	22,577
Grant revenues	288,364	25,000	(263,364)	-
	<u>310,364</u>	<u>50,240</u>	<u>(260,124)</u>	<u>22,577</u>
<b><u>OTHER CHARGES</u></b>				
Interest expense	4,500	4,322	178	5,890
Grant expenses	289,871	-	289,871	3,425
Capital expenditures	45,000	-	45,000	-
	<u>339,371</u>	<u>4,322</u>	<u>335,049</u>	<u>9,315</u>
<b><u>NET INCOME (LOSS)</u></b>	<u>\$ (17,787)</u>	<u>\$ 50,578</u>	<u>\$ 68,365</u>	<u>\$ 64,190</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**

**COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
Retained earnings - beginning of year	\$ 920,806	\$ 834,608
Net Income	50,578	64,190
Deprcciation transferred to contributed capital	<u>22,300</u>	<u>22,008</u>
Retained earnings - end of year	<u>\$ 993,684</u>	<u>\$ 920,806</u>



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - SEWER OPERATING FUND**

**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 1999 AND 1998**

**ASSETS**

	<u>1999</u>	<u>1998</u>
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 152,801	\$ 112,319
Certificates of Deposit	99,932	99,664
Accounts receivable (net of allowances for uncollectible accounts of \$1,255 and \$1,255 in 1999 and 1998, respectively)	14,368	14,392
Due from other funds	-	3,958
<b>Total current assets</b>	<u>267,101</u>	<u>230,333</u>
<b><u>RESTRICTED ASSETS</u></b>		
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the sewer system	<u>233,472</u>	<u>217,519</u>
<b>Total restricted assets</b>	<u>233,472</u>	<u>217,519</u>
<b><u>PROPERTY, PLANT, AND EQUIPMENT</u></b>		
Plant and equipment	<u>2,505,461</u>	<u>2,441,267</u>
	2,505,461	2,441,267
Less: allowance for depreciation	<u>(1,012,063)</u>	<u>(920,426)</u>
<b>Net property, plant, and equipment</b>	<u>1,493,398</u>	<u>1,520,841</u>
<b>Total assets</b>	<u><u>\$ 1,993,971</u></u>	<u><u>\$ 1,968,693</u></u>



LIABILITIES AND CAPITAL

	<u>1999</u>	<u>1998</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 2,408
Payable from restricted assets:		
Revenue bonds payable - due within one year	35,000	35,000
Accrued interest payable	7,873	8,300
Other liabilities	3,543	3,543
Due to other funds	191,587	107,605
Total current liabilities	<u>238,003</u>	<u>156,856</u>
<b><u>LONG-TERM LIABILITIES</u></b>		
Revenue bonds payable - due after one year	610,000	645,000
Total long-term liabilities	<u>610,000</u>	<u>645,000</u>
<b>Total liabilities</b>	<u>848,003</u>	<u>801,856</u>
<b><u>CAPITAL CONTRIBUTIONS</u></b>		
From federal grant for utility systems	303,523	303,523
Less: depreciation applicable to capital contributions	(75,880)	(68,292)
Net contributions	<u>227,643</u>	<u>235,231</u>
<b><u>RETAINED EARNINGS</u></b>		
Reserved for revenue bond debt service	190,599	174,219
Unreserved	727,726	757,387
Total retained earnings	<u>918,325</u>	<u>931,606</u>
<b>Total capital</b>	<u>1,145,968</u>	<u>1,166,837</u>
<b>Total liabilities and capital</b>	<u>\$ 1,993,971</u>	<u>\$ 1,968,693</u>

**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - SEWER OPERATING FUND**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1999**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
<b><u>OPERATING REVENUES</u></b>				
Sales	\$ 160,000	\$ 161,896	\$ 1,896	\$ 156,213
Tap fees	6,300	7,700	1,400	7,965
Miscellaneous revenues	200	-	(200)	-
Total operating revenues	<u>166,500</u>	<u>169,596</u>	<u>3,096</u>	<u>164,178</u>
<b><u>OPERATING EXPENSES</u></b>				
Office salaries	15,500	14,882	618	14,453
Maintenance salaries	25,000	22,821	2,179	13,864
Legal fees	8,500	8,435	65	5,107
Office expenses	1,800	1,913	(113)	1,533
Miscellaneous	1,200	969	231	155
Insurance	4,000	3,662	338	4,196
Supplies and maintenance	16,000	20,566	(4,566)	17,035
Vehicle expenses	800	727	73	411
Professional fees	3,400	3,125	275	3,125
Retirement	2,000	1,972	28	1,505
Electricity	20,000	18,950	1,050	16,983
Payroll taxes	400	350	50	265
Laboratory expenses	3,200	3,200	-	2,340
Chemicals	3,500	1,870	1,630	2,805
Depreciation	90,000	91,637	(1,637)	91,637
Uncollectible accounts	300	-	300	-
Total operating expenses	<u>195,600</u>	<u>195,079</u>	<u>521</u>	<u>175,414</u>
<b><u>LOSS FROM OPERATIONS</u></b>	<b>(29,100)</b>	<b>(25,483)</b>	<b>3,617</b>	<b>(11,236)</b>
<b><u>OTHER REVENUES</u></b>				
Interest revenues	13,000	12,847	(153)	13,441
Grant revenues	25,000	25,000	-	-
	<u>38,000</u>	<u>37,847</u>	<u>(153)</u>	<u>13,441</u>
<b><u>OTHER CHARGES</u></b>				
Interest expense	34,000	33,233	767	34,637
Capital expenditures	36,500	-	36,500	-
Grant expenditures	35,116	-	35,116	-
	<u>105,616</u>	<u>33,233</u>	<u>72,383</u>	<u>34,637</u>
<b><u>NET INCOME</u></b>	<b>\$ (96,716)</b>	<b>\$ (20,869)</b>	<b>\$ 75,847</b>	<b>\$ (32,432)</b>

**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - SEWER OPERATING FUND**

**COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
Retained earnings - beginning of year	\$ 931,606	\$ 956,450
Net loss	(20,869)	(32,432)
Depreciation transferred to contributed capital	<u>7,588</u>	<u>7,588</u>
Retained earnings - end of year	<u><u>\$ 918,325</u></u>	<u><u>\$ 931,606</u></u>



**GENERAL FIXED ASSETS ACCOUNT GROUP**

To account for fixed assets not used in proprietary fund operations.



**TOWN OF GRAMERCY, LOUISIANA**

**COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS**  
**JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<b><u>GENERAL FIXED ASSETS</u></b>		
Land	\$ 36,220	\$ 11,220
Buildings	160,204	135,517
Improvements other than buildings	7,821	7,821
Equipment	<u>207,274</u>	<u>163,426</u>
 Total general fixed assets	 <u>\$ 411,519</u>	 <u>\$ 317,984</u>
 <b><u>INVESTMENT IN GENERAL FIXED ASSETS</u></b>		
General fund revenues	\$ 350,141	\$ 256,606
Federal revenue sharing funds	29,959	29,959
State revenue sharing funds	<u>31,419</u>	<u>31,419</u>
 Total investment in general fixed assets	 <u>\$ 411,519</u>	 <u>\$ 317,984</u>



**GENERAL LONG-TERM DEBT OBLIGATIONS GROUP**

To account for all long-term debt not being  
serviced by the revenues of a proprietary fund  
or nonexpendable trust fund



**TOWN OF GRAMERCY, LOUISIANA**

**COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT**  
**JUNE 30, 1999 AND 1998**

	<u>Balance</u> <u>6/30/98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/99</u>
1976 Waterworks Improvement bonds	\$ 16,950	\$ -	\$ 4,035	\$ 12,915
1976 Fire Protection bonds	39,385	-	9,376	30,009
1991 Sewer Improvement bonds - general obligation portion	<u>305,000</u>	<u>-</u>	<u>15,000</u>	<u>290,000</u>
	<u>\$ 361,335</u>	<u>\$ -</u>	<u>\$ 28,411</u>	<u>\$ 332,924</u>



**SUPPORTING SCHEDULES**



**TOWN OF GRAMERCY, LOUISIANA**

**INSURANCE-IN-FORCE**  
**JUNE 30, 1999**

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Automobile liability	Scottsdale Indemnity	May 1, 1999	\$500,000
General liability	Scottsdale Indemnity	May 1, 1999	\$500,000
Law enforcement liability	National Casualty	May 1, 1999	\$500,000
Errors and omissions liability	Scottsdale Indemnity	May 1, 1999	\$500,000
Workers' compensation	Louisiana Workers' Compensation Company	May 1, 1999	Statutory
Position fidelity schedule bond	Fidelity and Deposit Company of Maryland	October 1, 1998	\$50,000
Employment practices liability	Scottsdale Indemnity	May 1, 1999	\$500,000
Commercial property	Scottsdale Indemnity	May 1, 1999	Various limits totalling \$ 1,404,199

**PUBLIC UTILITY SYSTEM OPERATIONS**

**JUNE 30, 1999**

**(Without Audit)**

**Statistics on System Operations**

- (a) As of June 30, 1999 the number of metered customers was 1,185 and 1,116 for the water and sewer systems, respectively. There were no unmetered customers for either the water or sewer systems at June 30, 1999.
- (b) The following rate schedules were in effect during the fiscal year ended June 30, 1999 for water and sewer services:

1. Water -	Rate per <u>1,000 Gallons</u>
Residential customers	
First 2,000 gallons or less	\$ 4.00
Next 3,000 gallons	2.50
Next 5,000 gallons	2.00
Next 5,000 gallons	1.85
Over 15,000 gallons	1.65
Commercial customers	
First 10,000 gallons or less	\$ 34.50
Over 10,000 gallons	1.75
Industrial customers	
First 50,000 gallons or less	\$ 172.50
Over 50,000 gallons	2.00

PUBLIC UTILITY SYSTEM OPERATIONS  
JUNE 30, 1999  
(Without Audit)

Statistics on System Operations (continued)

2. Sewer	<u>Rate per gallons of sewerage flow</u>
Residential customers and small commercial customers	\$9.25/month + \$0.42 / 1,000 gallons
Large commercial customers	\$32.00/month + \$0.42 / 1,000 gallons
Industrial customers	Monthly base rates ranging from \$50 to \$750 (based on sewerage flow and the biochemical oxygen demand of the waste) plus \$0.21/1,000 gallons of sewerage flow plus \$0.035/pound of waste

(c) Average monthly billing per customer during the year ended June 30, 1999:

1. Water	<u>\$ 21.00</u>
2. Sewer	<u>\$ 12.25</u>

TOWN OF GRAMERCY, LOUISIANA

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES  
YEAR ENDED JUNE 30, 1999

	<u>Salaries during the year ended June 30, 1999</u>
Ronald St. Pierre - Mayor	\$ 16,950
Herman Bourgeois	6,000
Eldrige Zeringue	3,900
Melissa Laurent	3,900
Betty Cooper Coleman	3,900
Alvin St. Pierre, Jr.	3,900
Terry Borne	1,950
Mike Kahl - Chief of Police	9,000
Kenny Poche	<u>4,500</u>
	<u>\$ 54,000</u>



**TOWN OF GRAMERCY, LOUISIANA**

**YEAR 2000 DISCLOSURES**

The year 2000 issue consists of two shortcomings that make computer processing systems unable to read year-date data beyond the year 1999. The first shortcoming is that many computer programs contain abbreviated dates which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000, as January 1, 1900, and process data incorrectly or stop processing data altogether. The second shortcoming is that some computers will be unable to detect the year 2000 as a leap year and may not register the additional day, and data calculations may be incorrect.

The Town has completed an inventory of computer systems and other electronic equipment and has determined that it will need to either modify or replace significant portion of its computer hardware and software so that its systems will function properly with respect to dates in the year 2000 and beyond. Based on this inventory, the Town is in the remediation stage in that it has either purchased or plans to purchase additional hardware and software believed to be year 2000 compliant. The Town is also assessing the extent to which its operations are vulnerable should those other organizations fail to properly remediate their computer systems.

The Year 2000 initiative is being managed by both internal staff and outside consultants. While management believes that its planning efforts are adequate to address its Year 2000 concerns, there can be no guarantees that the systems of the Town or the systems of other companies on which the Town's systems and operations rely, will be converted on a timely basis and that the Year 2000 issue will not have a material impact.

TOWN OF GRAMERCY, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1999

A. Summary of Audit Results:

- (1) The auditors' report expressed an unqualified opinion on the financial statements of the Town of Gramercy, Louisiana as of and for the year ended June 30, 1999.
- (2) One reportable condition relating to the audit of the financial statements is reported at section B-1 in this schedule. This condition is considered a material weakness.
- (3) No instances of noncompliance material to the financial statements of the Town of Gramercy, Louisiana were disclosed during the audit.

B. Reportable Conditions:

- (1) Lack of Segregation of Duties

*Condition* - the performance of accounting procedures is limited to two people.

*Criteria* - segregation of duties is an integral part of internal controls; as such, policies and procedures should be in place that provide reasonable assurance that financial transactions are properly recorded.

*Effect* - the segregation of duties is inadequate to provide effective internal control.

*Recommendation* - no action is recommended.

*Management's response* - we concur with the finding and the recommendation. Compensating controls do exist in that the Board of Commissioners reviews all invoices prior to disbursement. Additionally, the Board of Commissioners has decided that it would not be cost effective to increase the size of the administrative staff to achieve effective segregation of duties.



**Postlethwaite & Netterville**  
*A Professional Accounting Corporation*

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October 7, 1999

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Gramercy, Louisiana

We have audited the general purpose financial statements of the Town of Gramercy, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated October 7, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements dated October 7, 1999, and our report on the internal control and compliance with laws, regulations, and contracts, dated October 7, 1999.

During the course of our examination, we became aware of the following matter which represents an immaterial deviation of compliance.

**Compliance with Public Bid Law**

*Criteria* - Louisiana law requires that certain procedures must be followed when purchasing or constructing items in excess of the indicated thresholds.

*Condition* - the Town acquired several assets during the year ended June 30, 1999, without following the procedures delineated in LSA-RS Title 38:2212.

*Cause* - management of the Town is aware of the bid law procedures; however, they misinterpreted various parts of the revised statutes.

*Effect* - management cannot be certain that it paid the lowest possible price for several assets it acquired during the year.

*Recommendation* - management needs to become more familiar with the various exceptions and special situations described in the revised statutes.

We recommend management address the foregoing issue as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendation.

*Postlethwaite : Netterville*





# Town of Gramercy

"THE BEST LITTLE TOWN FOR MILES AROUND."

120 North Montz Street

P. O. Drawer 340

Gramercy, Louisiana 70052

Phone 225-869-4403 • FAX 225-869-4195



## Aldermen

Betty C. Coleman  
District 1

Eldrige Zeringue  
Mayor Pro Tem  
District 2

Alvin "Shark" St. Pierre, Jr.  
District 3

Melissa H. Laurent  
At Large

Terry Borne  
At Large

Lydia Z. Louque  
Town Clerk

Lloyd J. LeBlanc, Jr.  
Town Attorney

Ronald St. Pierre  
Mayor

November 9, 1999

Postlethwaite & Netterville  
Certified Public Accountants  
8550 United Plaza Blvd. Suite 1001  
Baton Rouge, LA 70809

Attn: Mr. Mike LeBlanc

Dear Mr. Leblanc:

Please be advised that the Town of Gramercy is in receipt of your letter dated October 7, 1999 concerning the immaterial deviation of compliance.

The, Mayor and Board of Aldermen, Town of Gramercy, Louisiana, do hereby agree to become more familiar with the various exceptions and special situations described in the revised statutes.

The, Mayor and Board of Aldermen, Town of Gramercy, Louisiana, agrees to address the foregoing issue as an improvement to operations and the administration of public programs.

If you should need any further information, please contact my office immediately. Thank you.

Sincerely,

Ronald St. Pierre  
Mayor